

Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	11/08/2024	
Media Program:	Water (CWA)	
Regulatory Program(s)	Water (CWA) Brine Program (Oil & Gas inspection)	
Company Name:	SMI Operating Company, LLC	
Facility Name:	E Gregory #4 Tank Battery	
Facility Physical Location:	In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.	
(city, state, zip code)	El Dorado, AR, 71730	
Mailing address:	190 Vestal Loop	
(city, state, zip code)	Strong, AR 71765	
County/Parish:	Union County	
Facility Phone Number	870-951-0136	
Facility Contact:	Jacob Agerton	Owner / Operator
	agertonjay@icloud.com	
FRS Number:	N/A	
Identification/Permit Number:	ARU002263	
Media Identifier Number:	N/A	
NAICS:	211111	
SIC:	1311	
Personnel participating in inspection:		
Kerri McCabe (lead)	EPA / Region 6 ECDW	Inspector / Enforcement Officer
EPA Lead Inspector Signature/Date		
	Kerri McCabe	Date
Supervisor Signature/Date		
	Jeanne Eckhart	Date

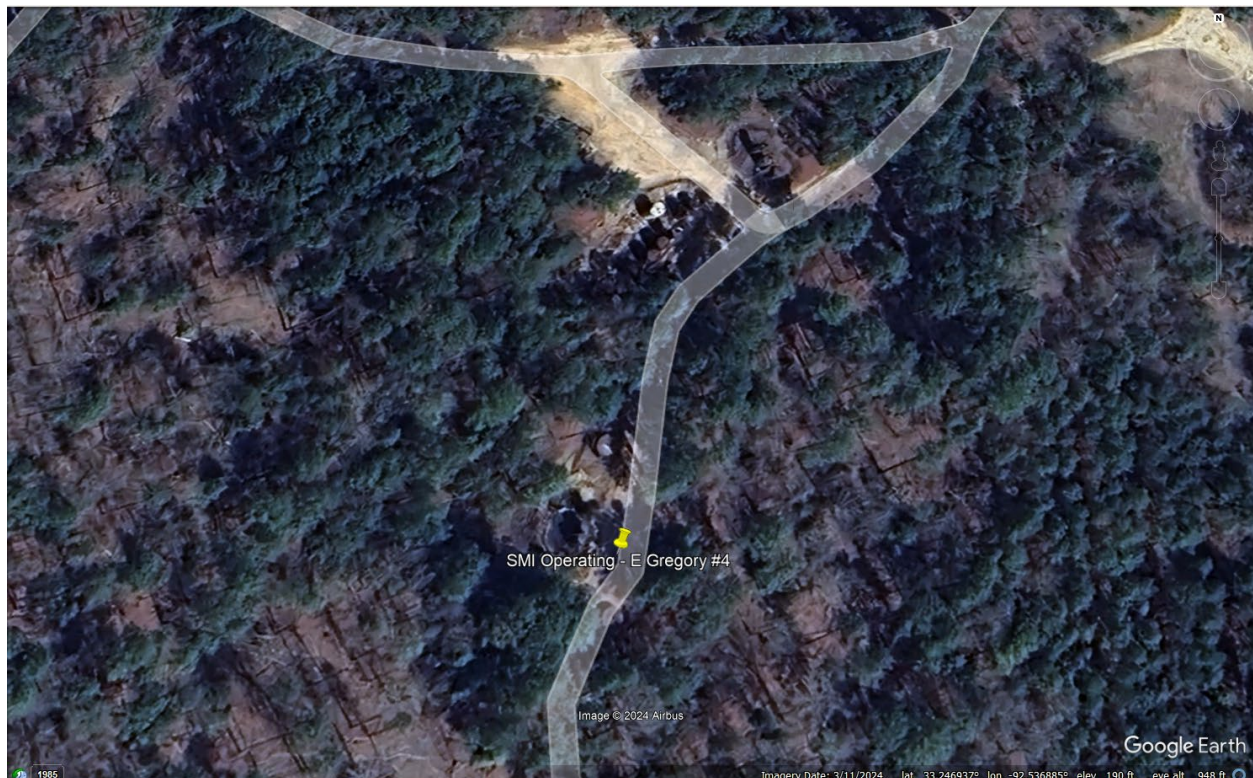
Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspector Kerri McCabe (lead) arrived at the SMI Operating Company, LLC / E Gregory #4 Tank Battery, located from Highway 63 E, then Armer Rd, left onto an oil lease road at 33.247317, -92.536617; at 1300 on 11/08/2024 for an unannounced inspection. No facility representatives were present at the time of the inspection. The inspection was conducted by the authority of the Clean Water Act (CWA) to determine compliance with Environmental Protection Agency (EPA) regulations. There were no other federal, state, or local agency representatives present at the time of the inspection.

FACILITY DESCRIPTION

EPA conducted an inspection on the SMI Operating Company, LLC / E Gregory #4 Tank Battery, which contained five (5) storage/separation tanks for crude oil and saltwater. Signage on one of the tanks inside secondary containment was marked with “Pacific-Atlantic Oil Company.” Communication with Mr. Glen Owen, Inspector Supervisor with AOGC, on 11/12/2024 confirmed that the facility had been sold to SMI Operating Company, LLC.



Map 1. Aerial imagery (Google Earth dated 03/11/2024) of the SMI Operating Company, LLC / E Gregory #4 Tank Battery.

Section II – OBSERVATIONS

I observed the SMI Operating Company, LLC / E Gregory #4 Tank Battery facility and associated signage, secondary containment, storage tanks, and treaters/separators; see Appendix 1 (Photographs Log), see Photos No. 1 and No. 2. For additional GPS location and photo metadata, see Appendix 1.

I observed a miscellaneous pipe outside secondary containment without a catchment bucket, see Photo No. 3.

I observed an active leak of crude oil from a valve inside secondary containment, loose oil inside secondary containment, and residual oil applied to the containment berm, see Photos No. 4; No. 6 and No. 7.

I observed a transfer line through secondary containment with a catchment bucket, see Photo No. 5.

I observed two (2) tanks that appeared to be out of service without proper labeling, see Photo No. 8 and No. 9.

I observed loose crude oil and pooled saltwater inside secondary containment, see Photos No. 10 through No. 14.

I observed an active leak of crude oil and saltwater from the partially opened drainpipe for secondary containment, see Photos No. 15 and No. 16.

I observed the downstream flowpath of the active leak of crude oil and saltwater from the drainpipe for secondary containment, see Photos No. 17 through No. 20. Dead vegetation was noted along the downstream flowpath.

Section III – AREAS OF CONCERN

No closing conference was held due to no personnel with SMI Operating Company, LLC being present during the inspection. Mr. Jacob Agerton, contact on file with AOGC, was contacted via email on 11/12/2024 regarding the inspections of related facilities owned/operated by SMI Operating Company, LLC. Areas of concern at the time of the inspection include the following:

- No updated signage at the facility,
- A miscellaneous pipe outside secondary containment without a catchment bucket,
- An active leak of crude oil from a valve, loose oil and pooled saltwater inside secondary containment, and residual oil applied to the secondary containment berm,
- Two (2) tanks inside secondary containment that appeared to be out of service without proper labeling,
- An active leak of crude oil and saltwater from the partially opened drainpipe for secondary containment,
- Releases of crude oil and saltwater from the drainpipe for secondary containment into the surrounding environment, and

- Dead vegetation along the downstream flowpath from releases from the drainpipe for the secondary containment.

Section IV – FOLLOW UP

Inspector will conduct follow-up phone calls and emails with the company representative(s) over the coming weeks and months to ensure areas of concern are properly addressed.

Section V – LIST OF APPENDICES

Appendix 1 – Photograph Log – 20 photos taken 11/08/2024.

Appendix 1

Photograph Log 20 Photos



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0346

Orientation: SE

Date of Photo: 11/08/2024

Time of Photo: 1313

Latitude: 33.246617

Longitude: -92.536917

Photographer: Kerri McCabe

Description: Looking SE, this photo shows the signage located at the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0347

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1313

Latitude: 33.246550

Longitude: -92.537000

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows an overview of the facility.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0348

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1313

Latitude: 33.246561

Longitude: -92.537022

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows miscellaneous pipe extended outside secondary containment without a catchment bucket.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0349

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1313

Latitude: 33.246556

Longitude: -92.537044

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows an active leak of crude oil, loose oil inside secondary containment, and residual crude oil applied to the secondary containment berm.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0350

Orientation: NE

Date of Photo: 11/08/2024

Time of Photo: 1314

Latitude: 33.246533

Longitude: -92.537017

Photographer: Kerri McCabe

Description: Looking NE, this photo shows a transfer pipe through secondary containment with a catchment bucket.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0351

Orientation: SW

Date of Photo: 11/08/2024

Time of Photo: 1314

Latitude: 33.246650

Longitude: -92.536967

Photographer: Kerri McCabe

Description: Looking SW, this photo shows loose oil inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 7

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0352

Orientation: NW

Date of Photo: 11/08/2024

Time of Photo: 1314

Latitude: 33.246659

Longitude: -92.536967

Photographer: Kerri McCabe

Description: Looking NW, this photo shows loose oil inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 8

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0353

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1314

Latitude: 33.246750

Longitude: -92.536917

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows two (2) tanks that appeared to be out of service without proper labeling; front view.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 9

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0354

Orientation: SW

Date of Photo: 11/08/2024

Time of Photo: 1315

Latitude: 33.246867

Longitude: -92.536900

Photographer: Kerri McCabe

Description: Looking SW, this photo shows two (2) tanks that appeared to be out of service without proper labeling; back view.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 10

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0355

Orientation: SSE

Date of Photo: 11/08/2024

Time of Photo: 1315

Latitude: 33.246967

Longitude: -92.536950

Photographer: Kerri McCabe

Description: Looking SSE, this photo shows loose crude oil and pooled saltwater inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 11

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0356

Orientation: SE

Date of Photo: 11/08/2024

Time of Photo: 1315

Latitude: 33.246833

Longitude: -92.537050

Photographer: Kerri McCabe

Description: Looking SE, this photo shows loose crude oil and pooled saltwater inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 12

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0357

Orientation: SE

Date of Photo: 11/08/2024

Time of Photo: 1315

Latitude: 33.246803

Longitude: -92.537050

Photographer: Kerri McCabe

Description: Looking SE, this photo shows loose crude oil and pooled saltwater inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 13

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0358

Orientation: E

Date of Photo: 11/08/2024

Time of Photo: 1316

Latitude: 33.246583

Longitude: -92.537133

Photographer: Kerri McCabe

Description: Looking E, this photo shows loose crude oil and pooled saltwater inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 14

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0359

Orientation: ENE

Date of Photo: 11/08/2024

Time of Photo: 1316

Latitude: 33.246567

Longitude: -92.537100

Photographer: Kerri McCabe

Description: Looking ENE, this photo shows loose crude oil and pooled saltwater inside secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 15

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0360

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1316

Latitude: 33.246567

Longitude: -92.537050

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows an active leak of crude oil and saltwater from the drainpipe for secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 16

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0361

Orientation: NNE

Date of Photo: 11/08/2024

Time of Photo: 1316

Latitude: 33.246567

Longitude: -92.537033

Photographer: Kerri McCabe

Description: Looking NNE, this photo shows an active leak of crude oil and saltwater from the drainpipe for secondary containment.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 17

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0362

Orientation: NNW

Date of Photo: 11/08/2024

Time of Photo: 1316

Latitude: 33.246600

Longitude: -92.537017

Photographer: Kerri McCabe

Description: Looking NNW, this photo shows the downstream flowpath from the active leak of crude oil and saltwater from the drainpipe for secondary containment. Dead and stressed vegetation was noted during the inspection.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 18

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0363

Orientation: NNW

Date of Photo: 11/08/2024

Time of Photo: 1317

Latitude: 33.246667

Longitude: -92.537167

Photographer: Kerri McCabe

Description: Looking NNW, this photo shows the downstream flowpath from the active leak of crude oil and saltwater from the drainpipe for secondary containment. Dead and stressed vegetation was noted during the inspection.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 19

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0364

Orientation: WNW

Date of Photo: 11/08/2024

Time of Photo: 1317

Latitude: 33.246683

Longitude: -92.537267

Photographer: Kerri McCabe

Description: Looking WNW, this photo shows the downstream flowpath from the active leak of crude oil and saltwater from the drainpipe for secondary containment. Dead and stressed vegetation was noted during the inspection.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 20

Location: In Old Union from Highway 63 N, then Armer Rd, and left onto an oil lease road at 33.246617, -92.536917.

City: El Dorado

County/Parish: Union

State: Arkansas



Photo File Name: 100-0365

Orientation: NW

Date of Photo: 11/08/2024

Time of Photo: 1317

Latitude: 33.246667

Longitude: -92.537333

Photographer: Kerri McCabe

Description: Looking NW, this photo shows the downstream flowpath from the active leak of crude oil and saltwater from the drainpipe for secondary containment. Dead and stressed vegetation was noted during the inspection.